



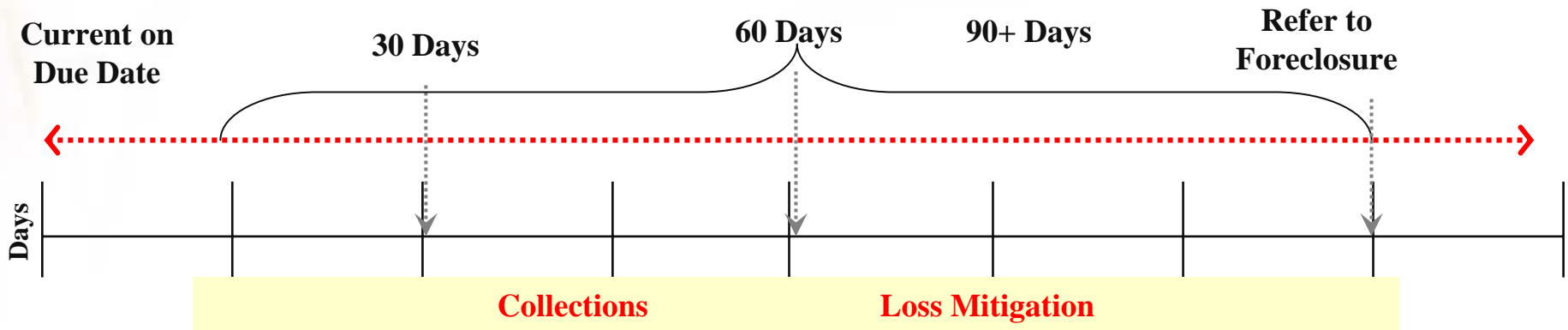
Keys to Preserving Homeownership







Delinquency Cycle



- Take Action Now!
- Call your Lender for assistance early!

- More options may be available when you ask for assistance early!







TRUSTED SOURCES: HOPE Hotline & State of California Website

1-888-995-HOPE (4673)

This Hotline is answered 24 hours a day, 7 days a week in several languages by experienced counselors who will help you for free.

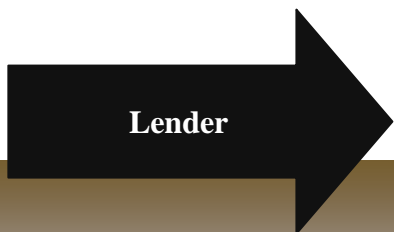
Information is also available on the State's website at: www.yourhome.ca.gov

www.sucasa.ca.gov



Role of the Counselor

**Partnering for a
Workable Solution**





Lender – Required Documentation

- Letter explaining your circumstances (hardship letter)
- Disclosure of financial information:
 - Pay stubs
 - Tax returns and W-2 forms
 - Bank Statements
 - Debts and obligations
 - Assets

Other Documentation as requested



Loss Mitigation Options

- **Keeping Your Home**
 - Special Forbearance Plans
 - Repayment Plans
 - Loan Modifications
 - Partial Claims
- **Not Keeping Your Home**
 - Pre-foreclosure Sale
 - Deed-In-Lieu of Foreclosure



Options For Keeping Your Home

- Special Forbearance Plan
- Repayment Plan
- Loan Modification
- Partial Claim





Special Forbearance Plan

- A signed agreement
- Allows the reduction or suspension of a homeowner's monthly payments for a specific period of time
- Requires:
 - **Regular monthly payments plus additional amounts as agreed**
 - **Payments continue until the loan is current**



Repayment Plan

- Regular monthly payments plus additional amounts as agreed
- Payments are made until the loan is current



Loan Modification

- Involves changing one or more terms of the original mortgage agreement, usually:
 - **Delinquent payments and other costs may be added to the loan balance**
 - **Interest rate changes and/or**
 - **Length/term of the mortgage changes**
- May result in a lower payment amount





Not Keeping Your Home



What Options Do You Have?



Pre-Foreclosure or Short Sale

- Sale of the property at fair market value
- Lender agrees to accept the proceeds of the sale even though it is less than the full payoff amount in order to avoid foreclosure



Deed-in-Lieu of Foreclosure

- The lender must agree that the homeowner can voluntarily sign the deed over to the lender to avoid the foreclosure process
- The Homeowner is required to vacate the property at the time the documents are signed or other negotiated date



Take Action....Ask Questions

- What options are available to me?
 - **Not all options are available with all Investors**
 - **Lenders or Investors may offer other options**
- Will I still owe money to the lender?
- How will this be reported to the credit bureaus and/or the IRS?
- Will a judgment be issued against me?
- Can I stay in my home?



Take Action...Get Involved

- Call your lender to answer your questions
- Work with a counselor to get answers
- Ask what options may be available for you because each situation is unique
- Work together to find a realistic, permanent solution



Beware of Foreclosure Rescue Scams





Common Scam Types

- **Phantom Help** – the “rescuer” charges high fees for work the homeowner could do themselves or charges for strong representation that never materializes
- **Bailout** – includes various schemes where homeowners surrender their title to the house thinking they will be able to remain as renters and buy the house back
- **Bait and Switch** – homeowners think they are signing documents for a new loan to make the mortgage current, but sign away the home and are left holding the mortgage on a home they no longer own
- **Equity Stripping** – a buyer purchases the home for the amount of the arrearage and flips the home for a quick profit



Protect yourself from scams

- Don't panic
- Talk to your lender
- Find out the rules in your state – how much time do you have
- Never sign a contract under pressure
- Never sign away ownership of your property
- Don't make payments to anyone other than your lender
- Beware of a home-sale contract where you aren't formally released from your mortgage
- Don't sign anything with blank lines or spaces
- If you don't speak English, use your own translator
- Beware of those offering to pay your arrearage and take the house off of your hands (equity stripping)



Meet with Lenders & Counselors

We look
forward to
partnering
for *solutions!*

